## AMENDED IN SENATE APRIL 24, 2012 AMENDED IN SENATE APRIL 16, 2012 AMENDED IN SENATE MARCH 26, 2012

**SENATE BILL** 

No. 1247

## **Introduced by Senator Gaines**

February 23, 2012

An act to amend Sections 4201, 4227, 4251, 4252, 4327, and 4357 of, and to add Sections 4250 and 4405 to, the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1247, as amended, Gaines. Watermaster service areas: cost of administration.

Existing law requires the Department of Water Resources to divide the state into watermaster service areas for the purpose of distributing water in accordance with certain water right determinations. Existing law authorizes the department to incur costs and make expenditures as necessary to provide for the administration of a service area and the distribution of water therein. Existing law requires the water rightholders to pay all of those costs.

This bill would, until January 1, 2014, authorize the department to pay up to 50% of watermaster costs, to the extent that funds are appropriated for this purpose, and require the water rightholders to pay the remainder of watermaster costs. This bill would also make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

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Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 4201 of the Water Code is amended to 2 read:
  - 4201. (a) Until January 1, 2014, and to the extent that funds are appropriated for this purpose, up to 50 percent of the cost of administration of a service area and the distribution of water therein may be paid by the department and the remainder shall be paid by the owners of the rights to divert or store water within the service area as provided in this chapter.
  - (b) Beginning January 1, 2014, the cost of administration of a service area and the distribution of water therein shall be paid by the owners of the rights to divert or store water within the service area as provided in this chapter.
    - SEC. 2. Section 4227 of the Water Code is amended to read:
  - 4227. The statement shall also contain an apportionment of the amount of the budget to be paid by the owners among the owners of the various rights to store or divert within the service area.
  - SEC. 3. Section 4250 is added to the Water Code, to read:
  - 4250. As used in this article, "owner's expense" means the total amount of the budget for the service area less the amount paid by the department, if any.
    - SEC. 4. Section 4251 of the Water Code is amended to read:
  - 4251. One-tenth of the owner's expense shall be apportioned equally among the respective ownerships of all water rights involved, and except as otherwise provided in this article the remaining nine-tenths shall be apportioned among the ownerships of the respective water rights in accordance with the quantities of water that the owners of the respective water rights are entitled to store or divert within the service area.
    - SEC. 5. Section 4252 of the Water Code is amended to read:
- 4252. In all cases of rights to divert the direct flow of a stream, without storage, for power development or other nonconsumptive use, where the entire flow so diverted, with the exception of reasonable transportation losses, is returned to the same stream system above the next lower diversion, the owners of these rights

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shall share on account of these rights only in the equal apportionment of one-tenth of the owner's expense, and shall not share in so far as these rights are concerned in the apportionment of the remaining nine-tenths.

- SEC. 6. Section 4327 of the Water Code is amended to read:
- 4327. The statement shall be submitted on or before the first day of September of the year preceding that for which it is made and shall apportion the budget it contains that is to be paid by the owners to the association.
  - SEC. 7. Section 4357 of the Water Code is amended to read:
- 4357. The expenditures for the supervision of the distribution of water in any service area that is to be paid by the owners shall be paid from that portion or account of the Water Resources Revolving Fund credited on the department's books to that service area, upon claims approved by the department and otherwise audited and approved as may be required in the case of other claims against the state.
  - SEC. 8. Section 4405 is added to the Water Code, to read:
- 4405. (a) Until January 1, 2014, up to 50 percent of the cost of the work to be performed by the department in rendering watermaster service and incidental duties required under the order or decree may be paid by the state and the remainder shall be paid by the owners and deposited by the department as received from the respective owners.
- (b) Beginning January 1, 2014, the cost of the work to be performed by the department in rendering watermaster service and incidental duties required under the order or decree shall be paid by the owners and deposited by the department as received from the respective owners.
- SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Legislature has eliminated funding for the State Watermaster Service Program within the Department of Water Resources, requiring water rightsholders to pay for 100 percent of the program instead of the 50 percent the water rightsholders previously paid. The elimination of this funding has resulted in dramatic fee increases to water rightsholders. These cost increases have had a severe effect on California's farmers and ranchers. An urgency

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- 1 statute is needed so that potential program funding can be
- 2 appropriated in this budget cycle to provide relief to water
- 3 rightsholders as they transition to a system of independent
- 4 watermastered districts.